RTD

SERVING NORTH CENTRAL NEW MEXICO

North Central Regional Transit District ("NCRTD")
Resolution 2009-05

2009-2010 Preliminary Budget

WHEREAS the NCRTD Board of Directors has developed a preliminary budget for fiscal year 2009-2010; and,

WHEREAS after a public hearing was held, said budget was developed on the basis of need and through cooperation with all user entities, appointed officials and other NCRTD supervisors; and,

WHEREAS the NCRTD Board of Directors hereby adopts the preliminary budget hereinafter described and respectfully requests approval from the State of New Mexico's Local Government Division of the Department of Finance and Administration.

NOW THEREFORE BE IT RESOLVED THAT THE ATTACHED PRELIMINARY BUDGET WAS PASSED, APPROVED AND ADOPTED this 20th day of May 2009.

Alfred Herrera, Chairman

ATTEST:

Mike Wismer, Secretary

Approved as to form:

Mark A. Basham, Counsel

Narrative for Preliminary FY 2010 Budget

Highlights:

The single biggest change between the Fiscal 2010 budget and the previous year's is the Regional Transit GRT revenue. Based on Fiscal Year 2007 GRT revenues in the four counties affected by the tax (Taos, Rio Arriba, Santa Fe and Los Alamos) it was estimated that the Regional Transit GRT would result in almost eight million dollars in funds for transit service expansion in the region. For budgeting purposes we have reduced that amount by 10% to allow for possible reductions in revenues as a result of the current economic climate. Since funds will not start to flow until September or October, we have further reduced our estimate by 25%. We have also subtracted the 3% administrative fee charged by DFA. Even with these reductions, we estimate that the region will realize over five million dollars for transit activities.

The next biggest change is the ARRA Stimulus funding signed into law this year. The NCRTD has successfully applied for two million dollars in capital funding for the construction of a transit facility in Rio Arriba County. Combined with a Section 5309 grant of $475,000 and a Section 5304 planning grant of $100,000 for design this will allow us to begin construction of the proposed facility early in the coming fiscal year.

Since the main selling point of the Regional Transit GRT to the voters who supported it was to expand transit services in the region, that is the purpose for which these funds will be used. We will continue to implement new routes as described in the service plan, and plan to hire 10 to 15 more drivers to staff those routes. In light of the increase in activities that will be funded by these new revenue streams, the NCRTD is planning to hire an additional administrative staff person and a full time marketing and public relations person to reduce our reliance on outside consultants for these services.

Details:

The preliminary budget for FY 2010 has several parts.

5311 Award $1,224,380: The first component of each year's budget is the 5311 application. This application is based on the previous year's award plus 20%, the NM DOT's maximum allowable increase. This year, after our application was submitted, DOT staff asked us to modify it. We reclassified certain expenses (chiefly Operations Managers' salaries and associated fringe benefits) to meet this request. Section 5311 funds require a local match of 20% for Administrative and Capital funds and 50% for Operations.

When the award was announced it was significantly less than what we applied for but still an increase over last year's award. We then had to spread the adjustment across the various line items. For Administrative expenses this was done by taking several large line items (Advertising, Contractual Services, Office Supplies) and moving them out of 5311 and into the RTD's GRT budget. On the Operations side we restored last year's budgets for each line item, on the assumption that service expansions are to be paid for out of the GRT revenue.

5316 Award $238,194: The next component of the budget is the 5316 (Job Access Reverse Commute) application. We reduced our application amount from last year because we were told that there would be less JARC money available this year. We were awarded our full application amount for Administrative and Operating expenses. Section 5316 funds require a match of 50%. We are allowed to use TANF funds as part of that match.

Other Federal Funds $2,575,000: The next component is other Federal funds. This year we are receiving three Federal awards in addition to 5311 and 5316. They are a Section 5304 Planning grant (80% Federal / 20% Local) of $100,000 which will require a local match of $25,000; a Section 5309 earmark (80% Federal / 20% Local) of $475,000 which will require an in-kind local

match that will be provided by Rio Arriba County in the form of land on which to build our new facility; and an ARRA Stimulus award of $2,000,000 that requires no local match.

Local funding $6,088,716: The next component of the budget is local funding. As of the date this budget was put together, there are two known sources of local funds: GRT revenues from the transit tax passed last November; and Los Alamos County's contribution of $880,000.

For budgeting purposes we are anticipating receiving 75% or projected Fiscal Year 2010 Regional Transit GRT during Fiscal Year 2010 because while the revenues will begin to be collected on July 1, 2009 they will not begin flowing to the NCRTD until September or October of 2009. The use of the GRT revenue is restricted in various ways. For example, of the taxes collected in Santa Fe County (projected to be $3,000,774 during FY 2010), half ($1,500,387) are to be used for RailRunner activities, and 86% of the remainder ($1,290,333) are to be used by Santa Fe County for its own service plan implementation. The remaining 14%, $210,054, is allocated to the RTD. Each of the four counties is supposed to contribute $250,000 towards Administrative expenses; using the same logic as above we are budgeting for 75% of this amount, or $187,500 per county. There is also a reserve for Capital. For Santa Fe and Los Alamos Counties this will be managed by their respective existing transit organizations. For Tao and Rio Arriba Counties we are budgeting 75% iof $250,000 each, or $187,500 per county. There is a calculation on page three of the budget worksheet showing how the amount available for Operating expenses related to implementing the service plan was arrived at.

When we calculated how much of the GRT revenue would be needed for Administrative expenses, we were not sure how much Federal grant money would be available to us in light of the expected influx of local money. Since we have been awarded 5311 funding at a level similar to last year's, we have the opportunity to make the RTD more secure by increasing our Working Capital fund to reflect the overall increase in our annual budget. You will see that in the proposed budget there is a total of $750,000 in the Local Sources column for Administrative disbursements that reflects the $250,000 allocation from each of the four counties less one quarter for the anticipated time-lag in receiving the funds from Taxation & Revenue, or $187,500 from each county. Of that, $200,000 is not for an expenditure but for a recommended increase in the revolving fund for working capital.

It is the recommendation of the Finance Subcommittee that for Fiscal Year 2010 the bulk of the Local Matches be paid out of the $880,000 Los Alamos GRT contribution to the RTD and the balance paid out of Regional Transit GRT funds.

This is a preliminary budget based on what we know at this time.

NCRTD Preliminary Budget for Fiscal Year 2009-2010 All Local Matches Paid by LA GRT and Regional Transit GRT

	5311	JARC / TANF	Other Federal Funds	Local Sources	Total	
RTD GRT Revenue				5,208,716	5,208,716	A
Federal Funds	1,224,380	238,194			1,462,574	
Section 5304 Planning (80/20)			100,000		100,000	
Section 5309 Earmark (80/20)			475,000		475,000	
ARRA Stimulus Funds (100%)			2,000,000		2,000,000	
LA GRT				880,000	880,000	
Interest Income				30,000	30,000	
Total Revenues	1,224,380	238,194	2,575,000	6,118,716	10,156,290	
Director	95,000				95,000	
Managers		25,000			25,000	
Financial Manager	55,000				55,000	
Clerical Staff	40,000				40,000	
Administrative Assistants	60,000			30,000	90,000	
Transportation Coordinator	65,000				65,000	
Transportation Planner				55,000	55,000	
Public Works Director	75,000				75,000	
Marketing Manager (new position)				55,000	55,000	
Reserve for Salary Increases				16,650	16,650	
Fringe Benefits	175,500			70,493	245,993	
Postage	1,500				1,500	
Telephone	19,000				19,000	
Cell Phone	4,800				4,800	
Audit	15,000			5,000	20,000	
Advertising				50,000	50,000	
Equipment Rental	2,400				2,400	
Contractual Services			125,000	124,857	249,857	
Contractual Svcs S/W Implementation				50,000	50,000	
Janitorial	3,000				3,000	
Dues & Subscriptions	2,000				2,000	
Equipment Repair & Maint				3,000	3,000	
Computer Repair & Maint	3,000			5,000	8,000	
Property Insurance	2,500				2,500	
General Liability Insurance				15,000	15,000	
Vehicle Insurance	40,000				40,000	
Office Rent	24,500				24,500	
Utilities	7,138				7,138	
Printing	6,000				6,000	
Copying	1,800				1,800	
Office Supplies				20,000	20,000	
Accounting Software				30,000	30,000	
Equipment/Furnishings	10,000				10,000	
Training	5,000				5,000	
Travel	6,000			20,000	26,000	
Drug & Alcohol Testing	500				500	
Reserve for Leave Payouts	21,698				21,698	
Increase to Revolving Fund				200,000	200,000	B
Total Administrative	741,336	25,000	125,000	750,000	1,641,336	
Federal	593,069	12,500		0	605,569	
Local	148,267	12,500		750,000	910,767	
Drivers	366,985	100,000			466,985	
Mechanics					0	
Dispatchers	36,100	7,000			43,100	
Janitor	5,000	2,000			7,000	

NCRTD Preliminary Budget for Fiscal Year 2009-2010 All Local Matches Paid by LA GRT and Regional Transit GRT

	5311	JARC / TANF	Other Federal Funds	Local Sources	Total	
Managers	110,708				110,708	
Reserve for Salary Increases				18,834	18,834	
Fringe Benefits	233,457	49,050		8,475	290,982	
Cell Phones		2,000			2,000	
Contractual Services - Transit	80,258	60,000			140,258	
Uniforms	5,300				5,300	
Building Maintenance		3,100			3,100	
Utilities		2,000			2,000	
Building Insurance					0	
Shop Supplies	3,000	1,000			4,000	
Furniture & Equipment					0	
Printing					0	
Training	2,500	1,250			3,750	
Travel	2,500	1,250			3,750	
Fuel	71,388	50,000			121,388	
Licenses & Fees	700	1,000			1,700	
Oil & Lubricants	3,213	3,350			6,563	
Replacements Parts	6,986	4,000			10,986	
Tires	3,216	4,000			7,216	
Vehicle Maintenance	9,002	4,500			13,502	
Vehicle Painting	5,000	3,000			8,000	
Vehicle Repair		1,500			1,500	
Service Plan Implementation				2,290,068	2,290,068	C
Contractual Obligation to RailRunner				1,500,387	1,500,387	D
Total Operating	945,313	300,000	0	3,817,764	5,063,077	
Federal	472,656	150,000		0	622,656	
Local	472,656	150,000		3,817,764	4,440,421	
Buildings	65,000		2,593,750		2,658,750	
Computers					0	
Furniture & Fixtures					0	
Other Capital	37,000				37,000	
Rolling Stock	94,618	94,618			189,236	
Bus Shelters/Benches/Signage					0	
Mobile Radios	1,700				1,700	
Service Plan Implementation				562,500	562,500	E
Total Capital	198,318	94,618	2,593,750	562,500	3,449,186	
Federal	158,654	75,694		0	234,349	
Local/State	39,664	18,924		562,500	621,087	
Total Budget	1,884,967	419,618	2,718,750	5,130,264	10,153,599	
Total Federal	1,224,380	238,194	2,575,000	0	4,037,574	
Total Local/State	660,587	181,424	143,750	5,130,264	6,116,025	F
Revenues less Expenditures	**(660,587)**	**(181,424)**	**(143,750)**	**988,453**	**2,692**	G

A - GRT Revenues

Projected Total GRT Revenue	7,955,275
Reduce by 10% to allow for declining GRT	(795,528)
Reduce by 3% for DFA Admin Fee	(214,792)
Reduce by 25% for time-lag in funding	(1,736,239)
Realizable GRT receipts during FY2010	5,208,716

B - Increase Revolving Fund

The revolving fund is currently $500,000, or roughly 12% of last year's budget, enough to cover 1.41 months' operations. Given that we anticipate a

	5311	JARC / TANF	Other Federal Funds	Local Sources	Total
	doubling of our budget it makes sense to increase the size of the revolving fund.				
C - Service Plan Implementation	Anticipated Realizeable GRT Revenue				5,208,716
	RailRunner Allocation				(1,500,387)
	Reserve for Capital				(562,500)
	Administrative Portion				(750,000)
	Local Matches				(105,761)
	Balance for Operating expenditures				2,290,068
D - Contractual Obligation to RailRunner	Anticipated Total GRT Revenue SF Co:				4,583,084
	Reduce by 10% to allow for declines in GRT				(458,308)
	Reduce by 3% for DFA Admin Fee				(123,743)
	Reduce by 25% to allow for cashflow time lag				(1,000,258)
	Anticipated realizeable GRT in FY 2010				3,000,774
	Half of realizeable SF Co GRT to RailRunner				1,500,387
	86% of remaining half to SF County				1,290,333
	14% of remaining half to the RTD				210,054
E - Service Plan Implementation	Capital portion of Service Plan Implementation.				
F - Local Share	Certain Federal grants require a Local Match. The Local Match requirement for this budget is 985,761. 660,587 + 181,424 + 143,750 = 985,761.				
	This budget assumes that Regional Transit GRT revenues will be used to fund all Local Match requirements.				
G - Revenues less Expenditures	Negative numbers in the Federal funds columns reflect the fact that the required local matches are not funded by federal money but must come from other sources.				